



First Quarter 2019  
Earnings Presentation  
May 15, 2019

This presentation may contain “forward-looking” statements that are based on our beliefs and assumptions and on information currently available to us. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, competitive position and potential organic and inorganic growth opportunities. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as “anticipate,” “believe,” “could,” “seek,” “estimate,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “will,” “would” or similar expressions and the negatives of those terms.

Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements represent our beliefs and assumptions only as of the date of this presentation. Except as required by law, we assume no obligation to update these forward-looking statements, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Victory Capital uses non-GAAP financial measures referred to as Adjusted EBITDA and Adjusted Net Income to measure the operating profitability of the business. These measures eliminate the impact of one-time acquisition, restructuring and integration costs and demonstrate the ongoing operating earnings metrics of the business. The Company has included these non-GAAP measures to provide investors with the same financial metrics used by management to assess the operating performance of the Company. Reconciliations of non-GAAP metrics to their closest comparable GAAP metrics can be found in the Appendix that accompanies this presentation.

## Topics

Victory Capital Update

Investment Performance

USAA Asset Management Company Acquisition Update

First Quarter 2019 Financial Results

Appendix

# Victory Capital Update

## YTD FLOWS AND AUM

- As of April 30, 2019 AUM increased to \$61.0Bn and YTD net flows were (\$0.3Bn)
  - AUM increased to \$58.1Bn on March 31, 2019, up 10%, from \$52.8Bn at December 31, 2018
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## FINANCIAL RESULTS

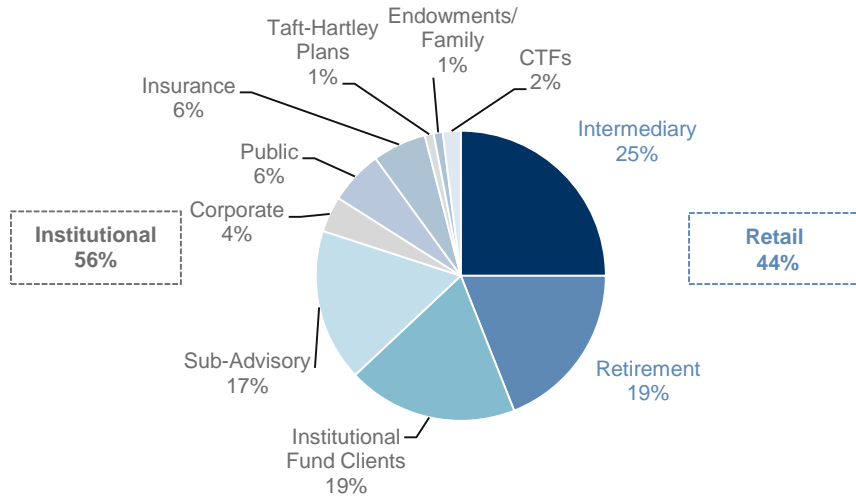
- \$0.35 Adjusted Net Income with tax benefit per diluted share comprised of \$0.30 per diluted share in Adjusted Net Income and \$0.05 per diluted share in tax benefit
  - 38.4% Adjusted EBITDA margin for the quarter
  - Ended quarter with \$280MM of debt and cash of \$66MM
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## ACQUISITION UPDATE

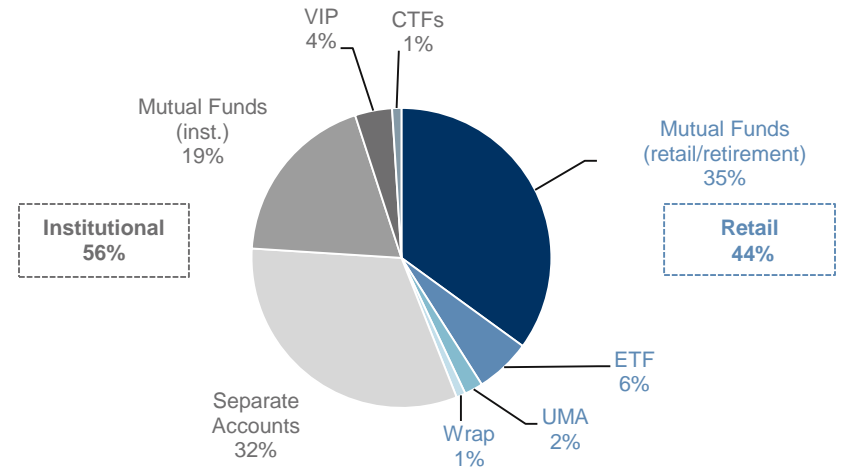
- USAA Asset Management Company acquisition is on track to close effective July 1, 2019
- Shareholder approval process complete for all mutual funds and ETFs
- Annual cost synergy guidance increased to \$110MM, and timing of realizations accelerated
- One-time cost to achieve synergies remains unchanged at \$50MM

# Diversified Platform Across Asset Classes, Investment Strategies, Client Types and Investment Vehicles

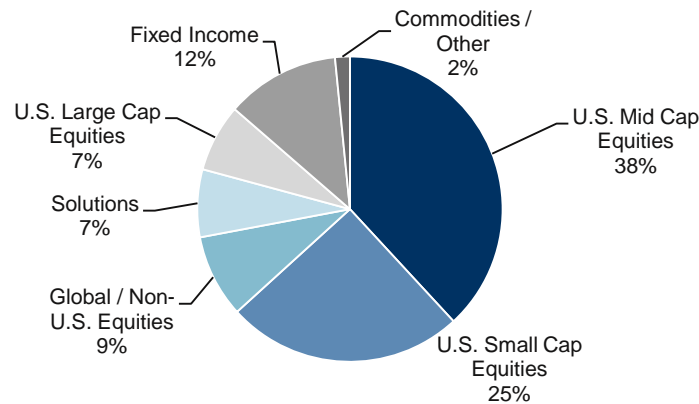
## Diverse Institutional and Retail Client Base...



## ...Served by a Variety of Investment Solutions...



## ...Across a Broad Range of Asset Classes



# Investment Performance



**25** Victory Mutual Funds and ETFs with 4- or 5-Star overall ratings

**67%** Victory Mutual Fund and ETF AUM with 4- or 5-Star overall ratings

Percentage of AUM that has outperformed its benchmark:

**60%** Over a one-year period    **75%** Over a three-year period    **74%** Over a five-year period    **90%** Over a ten-year period



**5** CONSECUTIVE YEARS in the BARRON'S Top 25 Best Fund Families

**#9** Overall ranking for 2018

**#10** Overall ranking for 2017

**#25** Overall ranking for 2015

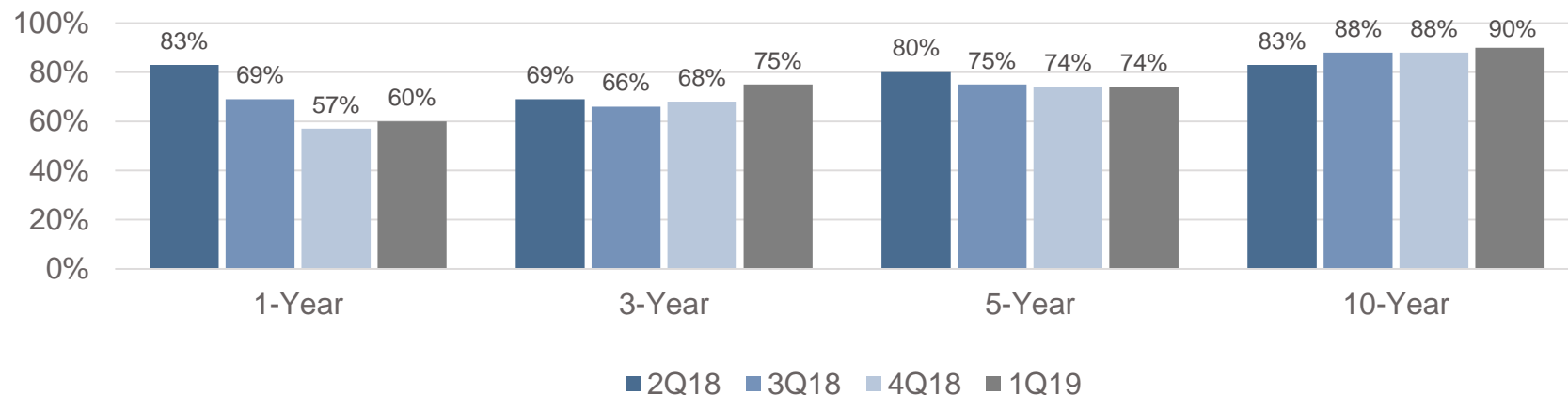
**#21** Overall ranking for 2016

**#15** Overall ranking for 2014

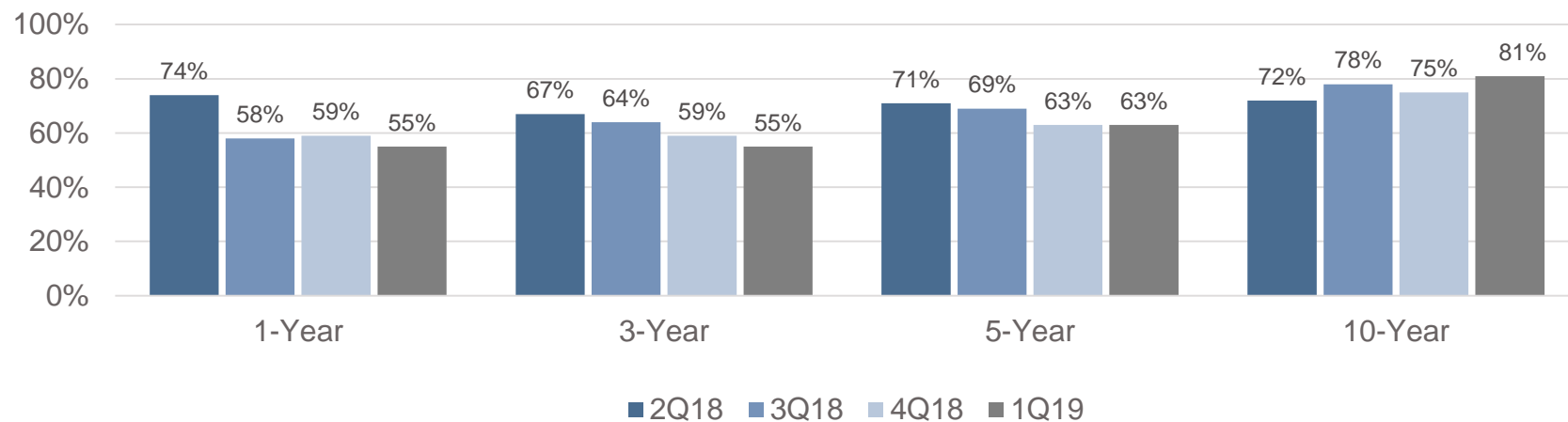
31 mutual funds and ETFs did not have 4- or 5- star overall ratings. 33% of AUM in mutual funds and ETFs did not receive overall rating of 4 or 5 stars. Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal. Data as of March 31, 2019.



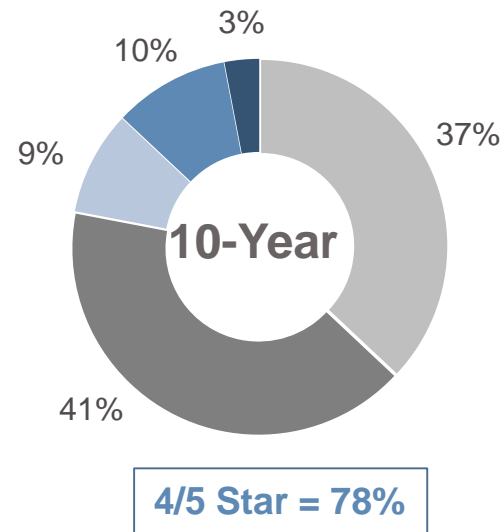
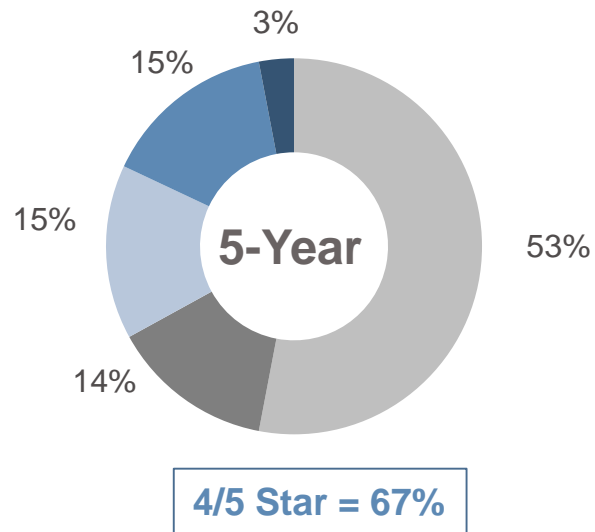
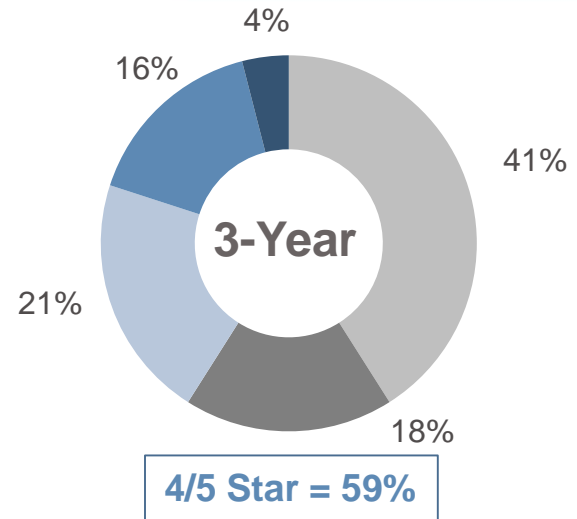
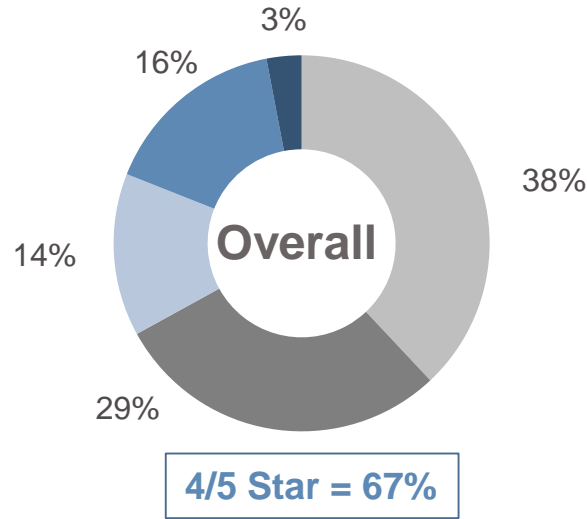
## Percentage of AUM that has outperformed benchmark



## Percentage of strategies that has outperformed benchmark



# 67% of AUM in Mutual Funds and ETFs Ranked 4- or 5-Stars Overall by Morningstar

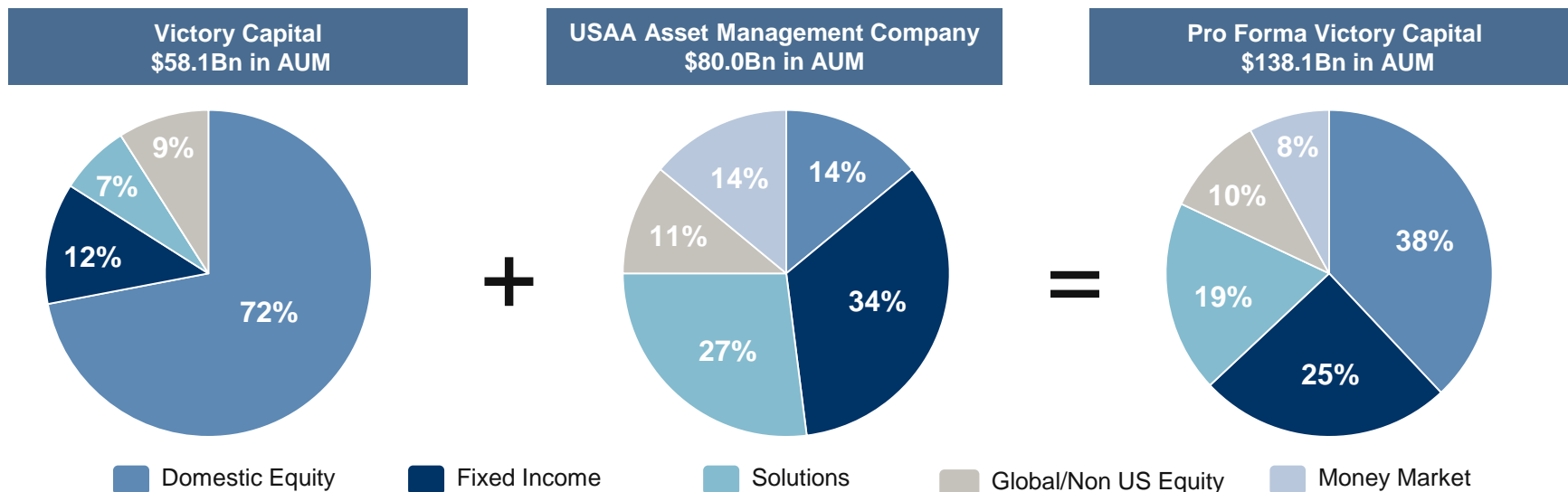


■ 5-Star ■ 4-Star ■ 3-Star ■ 2-Star ■ 1-Star

Percentages of mutual fund and ETF AUM not receiving 4/5 star ratings: 33% for overall period, 41% for 3 years, 33% for 5 years and 22% for 10 years. Past performance does not guarantee future results. Investing involves risk, including the potential loss of principal. Data as of March 31, 2019.

# USAA Asset Management Company Acquisition Update

# USAA Asset Management Company Acquisition Update



Asset Class	Victory Capital	USAA Asset Management Company	Pro Forma Victory Capital
Domestic Equity	72%	14%	38%
Fixed Income	12%	34%	25%
Solutions	7%	27%	19%
Global/Non-US Equity	9%	11%	10%
Money Market	0%	14%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Diversifies and balances our asset base:

- Reduces domestic equity exposure to 38% from 72% and results in a more balanced AUM mix across asset classes
- Enhances Solutions Platform to include Target Date and Target Risk Strategies, and Rules Based and Active ETFs
- Significantly scales, expands and diversifies our Fixed Income capabilities

\*Based on AUM figures at March 31, 2019, includes \$10Bn of AUM in the USAA mutual funds that are invested through the Managed Money product offered through USAA's brokerage business. Victory Capital is not acquiring the USAA brokerage business.

## KEY MILESTONES TO DATE

- USAA Mutual fund and ETF shareholders have approved the transaction
- 50 key investment professionals retained from USAA
- 50 USAA employees have been retained to serve as call center representatives dedicated to the direct member channel
- Our outsourcing partners have retained 120 USAA employees dedicated to member services and back office functions that will be co-located in Victory Capital's office in San Antonio
- Victory Capital distribution professionals trained on USAA strategies
- Back office systems assembled by Victory Capital and its partners to support acquisition
- All service provider conversions on schedule to ensure no disruptions
- Finalizing location and facility design of new San Antonio headquarters to be effective at close

## DIRECT MEMBER-BASED CHANNEL

- 1Q19 net flows of (\$0.1Bn)
- 13.5MM USAA members
  - 1.5MM USAA members own a USAA investment product
  - Loyal client base with high retention rates (82% over >5 years)
  - Average members invested for 11 years
  - 24% of members with mutual funds have automatic investment plans
- 529 College Saving Plan with five-year AUM retention rate of 86%
  - Average 529 client invested with USAA for 7 years
  - Automatic investment plans represent 60% of gross 529 sales
- Key marketing objectives post close
  - Retain assets and grow share of wallet among existing investors
  - Develop new relationships with the 12MM USAA members who do not yet own a USAA investment product



# Annualized Proforma Guidance

	Victory Capital	USAA Asset Management Company	Managed Money	Pre Synergies	Cost Synergies	Post Synergies (Using 3/31/19 Data)
AUM <sup>1</sup> on March 31, 2019 (\$Bn)	\$58	\$70	\$10	\$138		<b>\$138</b>
Revenue (\$MM)	\$360	\$434	\$62	\$856		<b>\$856</b>
Avg. Fee Rate (bps)	62	62	62	62		<b>62</b>
Adjusted EBITDA (\$MM)	\$140	\$122	\$22	\$284	<b>\$110</b>	<b>\$394</b>
Adjusted EBITDA %						<b>~46%</b>

<sup>1</sup>Victory Capital's AUM increased 5% to \$61.0Bn as of April 30, 2019.

Updated Guidance	
Cost synergies (\$MM)	<b>\$ 110</b>
2019 EPS Accretion <sup>2</sup>	<b>&gt;40%</b>
2020 EPS Accretion	<b>&gt;100%</b>
Adjusted EBITDA (\$MM)	<b>\$ 394</b>
Debt / EBITDA	<b>~2.9X</b>

Accelerated Timing (\$MM)					
	Original Guidance	Updated Guidance	Δ\$	Δ%	
At close	\$ 42	vs. \$ 60	<b>+\$18</b>	<b>↑43%</b>	
Within 6 months	\$ 83	vs. \$ 95	<b>+\$12</b>	<b>↑14%</b>	
Within 12-15 months	\$100	vs. \$110	<b>+\$10</b>	<b>↑10%</b>	

<sup>1</sup>Proforma estimates calculated using AUM as of March 31, 2019, Victory Capital's first quarter 2019 average annualized fee rate of 62 basis points, and Adjusted EBITDA margins of 39% for Victory Capital, 28% for USAA Asset Management Company, and 35% for Managed Money.

<sup>2</sup>Assumes July 1, 2019 close date.

# First Quarter 2019 Financial Results



## YTD FLOWS AND AUM

- As of April 30, 2019 AUM increased to \$61.0Bn and YTD net flows were (\$0.3Bn)
  - AUM increased to \$58.1Bn on March 31, 2019, up 10%, from \$52.8Bn at December 31, 2018
- 

## FINANCIAL RESULTS

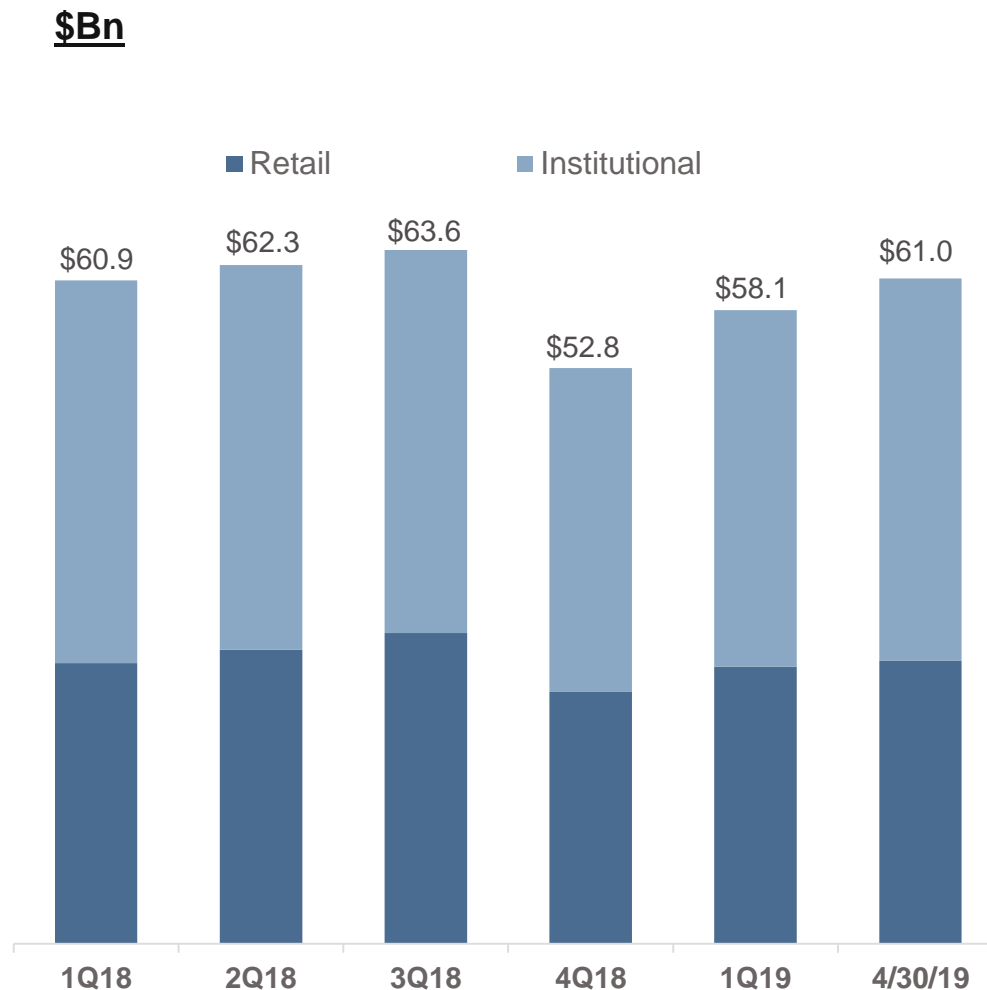
- \$87.5MM Revenue, includes impact of the adoption of ASU 2014-09
  - \$0.20 GAAP earnings per diluted share
  - \$0.35 Adjusted net income with tax benefit per diluted share
  - 25.3% GAAP Operating margin
  - 38.4% Adjusted EBITDA margin
- 

## CAPITAL MANAGEMENT

- \$280MM debt outstanding
- \$66.3MM cash balance
- 122,957 shares repurchased in 1Q19, at an average price of \$10.93 per share

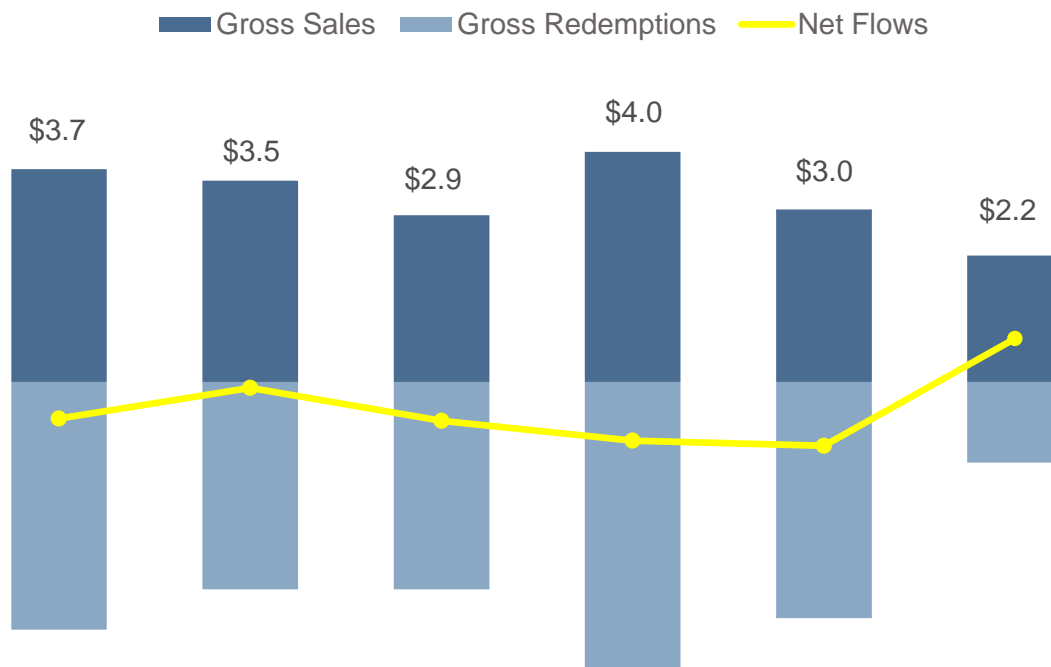
# Assets Under Management (End of Period)

- Mutual fund / VIP / ETF AUM of \$36.9Bn as of 3/31/19, across 67 different products
- 56% Institutional and 44% Retail AUM split as of 3/31/19
- AUM at April 30, increased to \$61.0Bn



- YTD net flows through April 30 of (\$0.3Bn)
- Positive net flows of \$0.8Bn in April 2019
  - Significant won but not yet funded assets funded in April, as expected

**\$Bn**

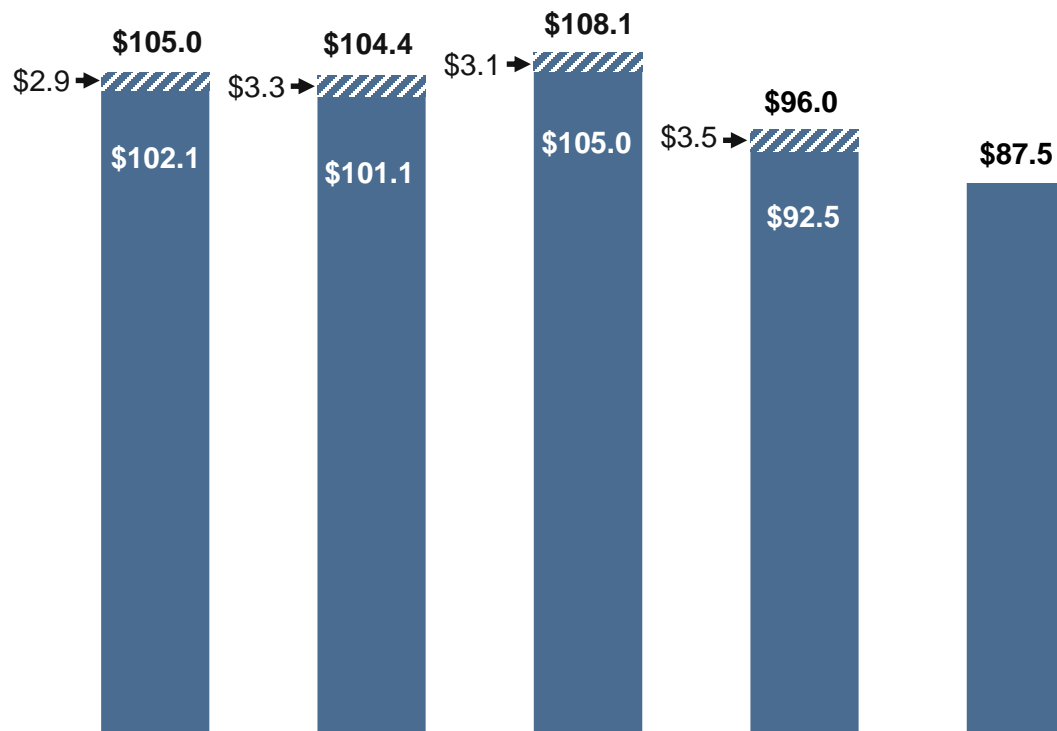


Operating Metrics	1Q18	2Q18	3Q18	4Q18	1Q19	Month of April
Gross Sales (%)	6.0%	5.7%	4.7%	6.3%	5.7%	3.7%
Net Flows (\$MM)	-\$633	-\$102	-\$672	-\$1,019	-\$1,105	+\$755
Net Flows (%)	-1.0%	-0.2%	-1.1%	-1.6%	-2.1%	+1.3%

QoQ reported revenue declined (9%)

**\$MM**

- Adoption of ASU 2014-09 reduced reported 1Q19 revenue by \$4.1MM
- Lower average AUM QoQ
- Two fewer days in 1Q19

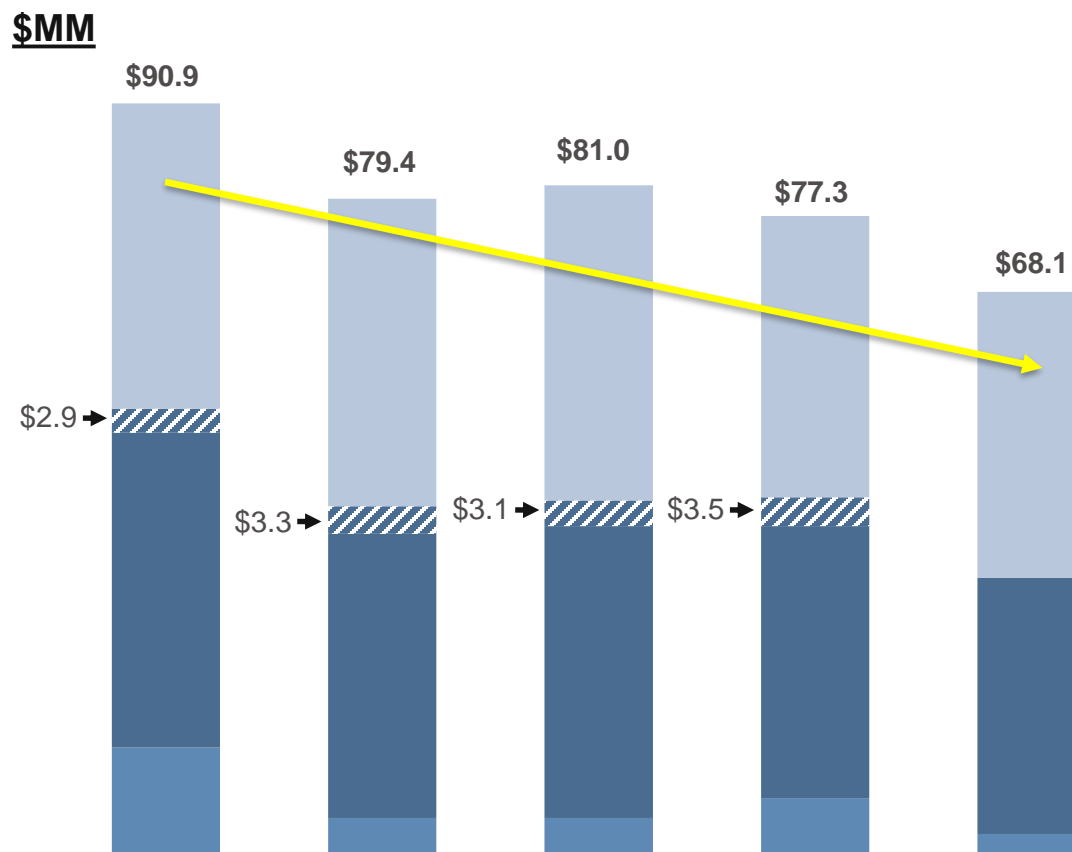


Operating Metrics	1Q18	2Q18	3Q18	4Q18	1Q19
Average AUM (\$Bn)	\$62.0	\$61.6	\$63.4	\$58.5	\$57.0
Average Fee Rate (bps), as reported	68.6	68.0	67.6	65.1	62.2
Average Fee Rate (bps), under ASU 2014-09	66.7	65.8	65.7	62.7	62.2

No prior periods have been restated, impact of ASU 2014-09 on revenue and effective fee rate is shown in table. Fund waivers and reimbursements

# Expenses

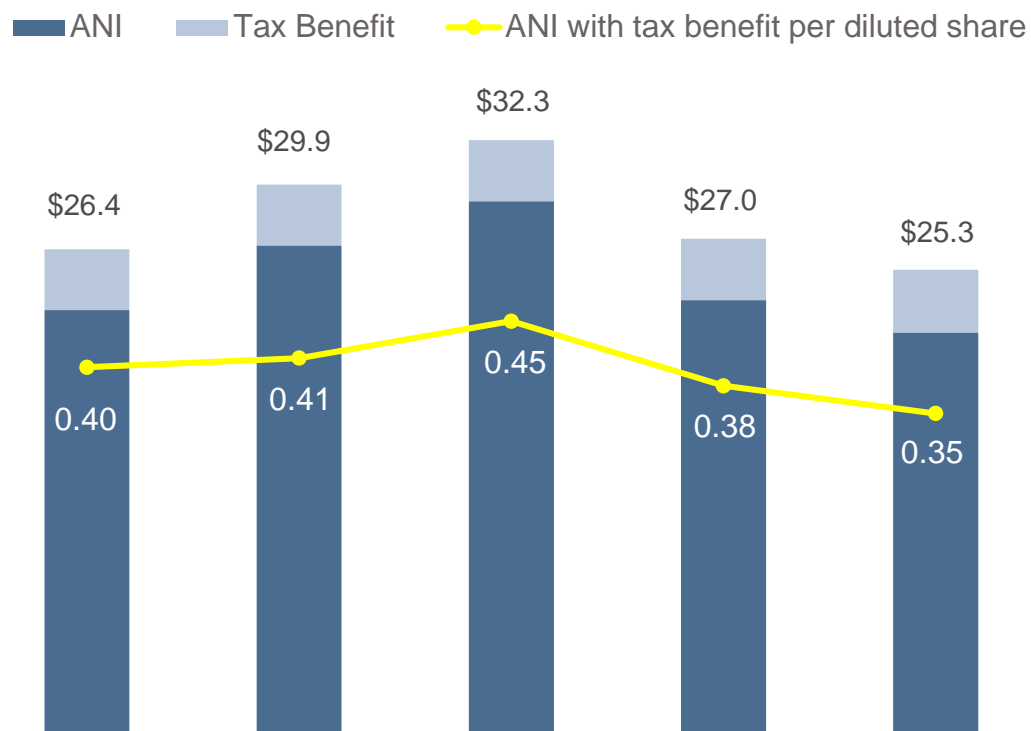
- Expenses decreased (12%) QoQ, and (25%) YoY due to business model and the adoption of ASU 2014-09
- Personnel slightly up QoQ due to seasonally higher payroll tax and benefits in 1Q
- Operating expenses down QoQ due to lower AUM related costs and absence of waivers and reimbursements of \$4.1MM
- Non-Operating down (61%) QoQ from MTM of long-term incentive compensation and down (79%) YOY primarily due to cost of debt refinancing in 1Q18



Operating Metrics (\$MM)		1Q18	2Q18	3Q18	4Q18	1Q19
Personnel		\$36.8	\$37.1	\$38.0	\$33.9	\$34.5
Operating		40.9	37.6	38.3	36.3	30.8
Non-Operating		13.2	4.7	4.7	7.1	2.8

- 1Q19 adjusted net income with tax benefit of \$0.35 per diluted share
- ANI with tax benefit of \$25.3MM
- (6%) QoQ decrease in Adjusted Net Income with tax benefit
- (4%) YoY decrease in Adjusted Net Income with tax benefit
- Adjusted EBITDA Margin of 38.4% in 1Q19, up from 4Q18 and 1Q18

## \$MM except per share data



Operating Metrics	1Q18	2Q18	3Q18	4Q18	1Q19
Adjusted EBITDA (\$MM)	\$39.8	\$40.7	\$43.3	\$36.4	\$33.6
Adjusted EBITDA Margin	37.9%	39.0%	40.1%	37.9%	38.4%

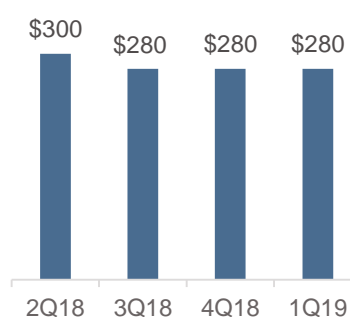
- Cash balance increased from \$51.5MM at Dec. 31, 2018, to \$66.3MM at March 31, 2019
- Repurchased 123K shares in 1Q19, at an average price of \$10.93 per share
- As of March 31, 979K shares repurchased at an average price of \$9.59 per share

Selected Balance Sheet Items (\$MM)		3/31/19
Cash / Cash Equivalents		\$66.3
Debt <sup>1</sup>		\$280.0
Stockholders' Equity		\$470.2
Diluted Shares Outstanding (MM)		72.3
Selected Metrics		3/31/19
Net Debt / LTM Credit EBITDA		1.5x
Net Debt		\$221.3

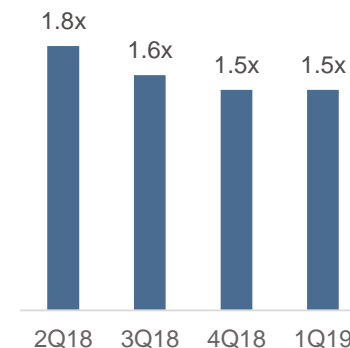
**Free Cash Flow (\$MM)**



**Borrowings (\$MM)**



**Leverage Ratio<sup>1</sup>**



<sup>1</sup> Represents outstanding term loans as March 31, 2019. Balance sheet amount of long-term debt is \$269.3MM which is net of \$10.7MM unamortized debt issuance costs and debt discount. Net debt calculated in accordance with credit agreement.

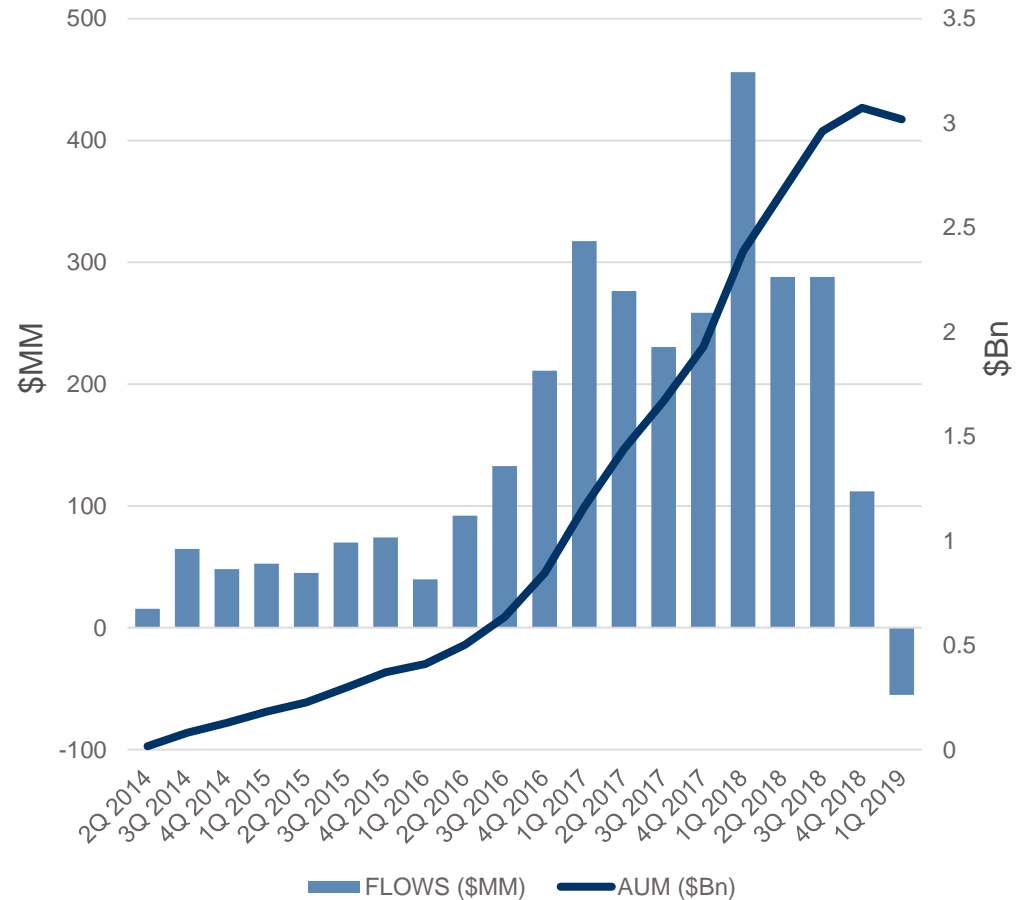
# Appendix



## MEASURES OF OUR SUCCESS

- VictoryShares ETFs have posted positive net flows in 19 out of the past 20 quarters
- 1Q19 experienced (\$58MM) in net outflows, which was our first quarter of outflows since we entered the business in 2015
- 4<sup>th</sup> quarter market disruption impacted some of our ETFs
- \$198MM acquisition AUM (Apr '15) → \$3.1Bn (Mar '19)
- 28<sup>th</sup> in Overall ETF AUM
- 6 ETFs with AUM over \$100MM and 3 ETFs with AUM over \$500MM
- 2 ETFs are rated 4 or 5 stars by Morningstar
- \$26Bn proforma business when combined with USAA's solution platform

## VictoryShares Net Flows by Quarter and Cumulative AUM



## **Information Regarding Non-GAAP Financial Measures**

Victory Capital uses non-GAAP financial measures referred to as Adjusted EBITDA and Adjusted Net Income to measure the operating profitability of the business. These measures eliminate the impact of one-time acquisition, restructuring and integration costs and demonstrate the ongoing operating earnings metrics of the business. The Company has included these non-GAAP measures to provide investors with the same financial metrics used by management to assess the operating performance of the Company.

### **Adjusted EBITDA**

Adjustments made to GAAP net income to calculate Adjusted EBITDA are:

- Adding back GAAP income tax;
- Adding back interest paid on debt and other financing costs net of interest income;
- Adding back depreciation on property and equipment;
- Adding back other business taxes;
- Adding back GAAP amortization of acquisition-related intangibles;
- Adding back the expense associated with stock-based compensation associated with equity issued from pools that were created in connection with the management-led buyout with Crestview GP from KeyCorp, the Munder Acquisition and the RS Acquisition and as a result of any equity grants related to the IPO;
- Adding back direct incremental costs of acquisitions and the IPO, including expenses associated with third-party advisors, proxy solicitations of mutual fund shareholders for transaction consents, vendor contract early termination costs, impairment of receivables recorded in connection with an acquisition and severance, retention and transaction incentive compensation;
- Adding back debt issuance costs;
- Adding back pre-IPO governance expenses paid to the Company's private equity partners that terminated as of the completion of the IPO; and
- Adjusting for earnings/losses on equity method investments.

## **Information Regarding Non-GAAP Financial Measures (cont.)**

### **Adjusted Net Income**

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- Adding back direct incremental costs of acquisitions and the IPO, including expenses associated with third-party advisors, proxy solicitations of mutual fund shareholders for transaction consents, vendor contract early termination costs, impairment of receivables recorded in connection with an acquisition and severance, retention and transaction incentive compensation;
- Adding back debt issuance costs;
- Adding back pre-IPO governance expenses paid to the Company's private equity partners that terminated as of the completion of the IPO;
- Subtracting an estimate of income tax expense on the adjustments.

### **Tax Benefit of Goodwill and Acquired Intangibles**

Due to Victory Capital's acquisitive nature, tax deductions allowed on acquired intangible assets and goodwill provide it with additional significant supplemental economic benefit. The tax benefit of goodwill and intangibles represents the tax benefits associated with deductions allowed for intangibles and goodwill generated from prior acquisitions in which the Company received a step-up in basis for tax purposes. Acquired intangible assets and goodwill may be amortized for tax purposes, generally over a 15-year period. The tax benefit from amortization on these assets is included to show the full economic benefit of deductions for all acquired intangibles with a step-up in tax basis.

# Reconciliation of Adjusted EBITDA Metrics



	For the three months ended,				
	<i>(in thousands)</i>				
	<u>3/31/2018</u>	<u>6/30/2018</u>	<u>9/30/2018</u>	<u>12/18/2018</u>	<u>3/31/2019</u>
<b>GAAP Net income</b>	<b>\$ 10,524</b>	<b>\$ 18,675</b>	<b>\$ 20,590</b>	<b>\$ 13,915</b>	<b>\$ 14,527</b>
GAAP Income tax expense	(3,557)	(6,311)	(6,562)	(4,777)	(4,807)
<b>GAAP income before taxes</b>	<b>14,081</b>	<b>24,986</b>	<b>27,152</b>	<b>18,692</b>	<b>19,334</b>
Interest expense	8,094	4,229	4,053	3,797	3,853
Depreciation	736	736	775	709	571
Other business taxes	375	443	350	337	555
GAAP amortization of acquisition-related intangibles	5,676	5,195	4,799	4,651	4,651
Stock-based compensation	3,322	3,968	4,005	3,943	1,478
Acquisition, restructuring and exit costs	518	560	1,647	3,664	2,777
Debt issuance costs	6,702	361	373	371	364
Pre-IPO governance expenses	141	(3)	--	--	--
Earnings/losses from equity method investments	137	202	167	224	4
<b>Adjusted EBITDA</b>	<b>\$ 39,782</b>	<b>\$ 40,677</b>	<b>\$ 43,321</b>	<b>\$ 36,388</b>	<b>\$ 33,587</b>
<b>Revenue (in thousands)</b>	<b>\$ 104,964</b>	<b>\$ 104,399</b>	<b>\$ 108,082</b>	<b>\$ 95,967</b>	<b>\$ 87,479</b>
<b>Adjusted EBITDA Margin</b>	<b>37.9%</b>	<b>39.0%</b>	<b>40.1%</b>	<b>37.9%</b>	<b>38.4%</b>

# Reconciliation of Adjusted Net Income Metrics



	<b>For the three months ended,</b>				
	<i>(in thousands, except share data)</i>				
	<u>3/31/2018</u>	<u>6/30/2018</u>	<u>9/30/2018</u>	<u>12/18/2018</u>	<u>3/31/2019</u>
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Acquisition, restructuring and exit costs	518	560	1,647	3,664	2,777
Debt issuance costs	6,702	361	373	371	364
Pre-IPO governance expenses	141	(3)	--	--	-
Tax effect of above adjustments	<u>(4,183)</u>	<u>(2,631)</u>	<u>(2,794)</u>	<u>(3,241)</u>	<u>(2,456)</u>
Adjusted Net Income	23,075	26,568	28,970	23,640	21,896
Tax benefit of goodwill and acquired intangibles	<u>3,320</u>	<u>3,320</u>	<u>3,318</u>	<u>3,320</u>	<u>3,361</u>
<b>Adjusted Net Income with Tax Benefit</b>	<b>\$ 26,395</b>	<b>\$ 29,888</b>	<b>\$ 32,288</b>	<b>\$ 26,960</b>	<b>\$ 25,257</b>
Weighted average shares outstanding – diluted	66,283,621	72,135,290	71,863,566	71,557,705	72,281,878
<b>Adjusted Net income with Tax Benefit Per Diluted Share</b>	<b>\$ 0.40</b>	<b>\$ 0.41</b>	<b>\$ 0.45</b>	<b>\$ 0.38</b>	<b>\$ 0.35</b>

Investing involves risk, including the potential loss of principal. There are no assurances that any fund will achieve its stated objective.

**Past performance does not guarantee future results.** A fund's most recent performance can be found at [vcm.com](http://vcm.com).

**An investor should carefully consider a fund's investment objectives, risks, charges and expenses before investing. This and other important information can be found in the prospectus or the summary prospectus. To obtain a prospectus for the VictoryShares ETFs visit [www.victoryshares.com](http://www.victoryshares.com). To obtain a prospectus for the Victory Funds mutual funds visit [www.victoryfundliterature.com](http://www.victoryfundliterature.com). Please read the prospectus carefully before investing.**

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The Morningstar Rating for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and ten-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36–59 months of total returns, 60% five-year rating/40% three-year rating for 60–119 months of total returns, and 50% ten-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the ten-year overall star rating formula seems to give the most weight to the ten-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods. Ratings may reflect fee waivers in effect; in their absence, ratings may have been lower.

**Barron's** ranked Victory Capital 9<sup>th</sup> overall, 4<sup>th</sup> in the Mixed Asset category, and 5<sup>th</sup> in the Taxable Bond category out of 57 fund families for the one-year period ended December 31, 2018; 10<sup>th</sup> out of 58 firms for the one-year period ended December 31, 2017; 21<sup>st</sup> out of 61 firms for the one-year period ended December 31, 2016; 25<sup>th</sup> out of 67 firms for the one-year period ended December 31, 2015; and 15<sup>th</sup> out of 65 firms for the one-year period ended December 31, 2014.

## How **Barron's** Ranks the Fund Families

All mutual and exchange-traded funds are required to report their returns (to regulators as well as in advertising and marketing material) after fees are deducted, to better reflect what investors would actually experience. But our aim is to measure manager skill, independent of expenses beyond annual management fees. That's why we calculate returns before any 12b-1 fees are deducted. Similarly, fund loads, or sales charges, aren't included in our calculation of returns. Each fund's performance is measured against all of the other funds in its Lipper category, with a percentile ranking of 100 being the highest and one the lowest. This result is then weighted by asset size, relative to the fund family's other assets in its general classification. If a family's biggest funds do well, that boosts its overall ranking; poor performance in its biggest funds hurts a firm's ranking.

To be included in the ranking, a firm must have at least three funds in the general equity category, one world equity, one mixed equity (such as a balanced or target-date fund), two taxable bond funds, and one national tax-exempt bond fund.

We have historically excluded single-sector and country equity funds, but those are now factored into the rankings as general equity. We exclude all passive index funds, including pure index, enhanced index, and index-based, but include actively managed ETFs and so-called smart-beta ETFs, which are passively managed but created from active strategies. Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. The category weightings for the one-year results in 2018 were general equity, 34.8%; mixed asset, 21.3%; world equity, 17.1%; taxable bond, 22.4%; and tax-exempt bond, 4.4%.

The category weightings for the five-year results were general equity, 35.9%; mixed asset, 19.7%; world equity, 17.3%; taxable bond, 22.5%; and tax-exempt bond, 4.5%. For the 10-year list, they were general equity, 37.1%; mixed asset, 20%; world equity, 16.7%; taxable bond, 21.2%; and tax-exempt bond, 4.9%.

The scoring: Say a fund in the general U.S. equity category has \$500 million in assets, accounting for half of the firm's assets in that category, and its performance lands it in the 75<sup>th</sup> percentile for the category. The first calculation would be 75 times 0.5, which comes to 37.5. That score is then multiplied by 34.8%, general equity's overall weighting in Lipper's universe. So, it would be 37.5 times 0.348, which equals 13.05. Similar calculations are done for each fund in our study. Then the numbers are added for each category and overall. The shop with the highest total score wins. The same process is repeated to determine the five- and 10-year rankings.

*Source: "Barron's Fund Family Ranking: How the Best Active Managers Performed", March 8, 2019. Please note that Barron's updated the title of the most recent fund family rankings to read: "The Best Fund Family's of 2019". This change had no effect on the rankings.*